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No. 87-2046

Supreme Court, U.S.
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IN THE

Supreme Court of the United States

OCTOBER TERM, 1987

UNIROYAL, INC.,

Petitioner,

—v.—

RUDKIN-WILEY CORPORATION,

Respondent.

PREMIX, INC.,

Petitioner,

—v.—

RUDKIN-WILEY CORPORATION,

Respondent.

RESPONDENT'S ANSWER TO PETITIONERS' PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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STATEMENT OF THE CASE

A young inventor named Selden Saunders working in 1962 alone in his father's garage invented an air-deflecting device for reducing wind resistance encountered by tractor-trailer vehicles. This device is now a common sight on the nation's highways. Saunders' invention, a baffle or deflector mounted on the cab roof of a tractor and sized and positioned according to the size

of the tractor and trailer, reduces the wind resistance encountered by a tractor-trailer combination to provide substantial fuel savings of about 5%, without redesigning the tractor or the trailer. Saunders' invention generated a multi-million dollar industry and has saved hundreds of millions of gallons of fuel in this country alone.

In 1966, appellant Rudkin-Wiley, a small entrepreneurial company looking to market an innovative product, recognized the enormous commercial promise of Saunders' invention and, respecting and relying upon the U.S. patent laws, agreed to pay royalties under an exclusive license. Petitioner Uniroyal also came to recognize the enormous commercial promise of Saunders' invention, although some seven years later. Uniroyal surreptitiously purchased a licensed Rudkin-Wiley air deflector, which it considered to be a "novel thing," copied it and added two features (adjustability and vertical curvature). After failing in its attempts to obtain a license from Saunders or Rudkin-Wiley, Uniroyal filed its declaratory judgment action. Meanwhile, Uniroyal, along with its successor, Petitioner Premix, has sold tens of thousands of their look-alike deflectors.

ARGUMENT

Respondent Rudkin-Wiley Corporation respectfully submits that Petitioners', Uniroyal, Inc. and Premix, Inc., petition for a writ of certiorari should be denied.

The United States Court of Appeals for the Federal Circuit vacated and reversed the judgment by the United States District Court for the District of Connecticut holding U.S. Patent 3,241,876 ('876 patent or Saunders' patent) invalid and noninfringed. The decision of the Federal Circuit is in accord with a prior decision of the United States Court of Appeals for the Seventh Circuit which in 1981 found the Saunders '876 patent to be valid. *Saunders* v. *Air-Flo Co.*, 646 F.2d 1201 (7th Cir. 1981).

Petitioners' application for certiorari mischaracterizes and ignores the gravamen of the Federal Circuit's decision, and fails

to raise any issue deserving this Court's consideration. Petitioners' contention that the district court's judgment was improperly overturned after a selective review of the available record overlooks the adequacy and comprehensiveness of the record on appeal.

In accord with the standards of appellate review set forth at length in *Panduit Corp.* v. *Dennison Mfg. Co.*, 810 F.2d 1561, 1566 (Fed. Cir. 1987), *cert. denied*, ____ U.S. ____, 107 S. Ct. 2187 (1987) the Federal Circuit reversed the district court's holdings of invalidity and noninfringement. As in *Panduit*, 810 F.2d at 1565, the Federal Circuit held that the district court erroneously found the patent invalid by making several errors of law. In the district court's analysis of validity, the Federal Circuit explicitly identified multiple errors of law namely, the district court:

1. impermissibly used hindsight to reconstruct the claimed invention from prior art;
2. erroneously analyzed the secondary considerations of nonobviousness;
3. disregarded undisputed differences between the claimed invention and the prior art because the invention and the prior art relied upon the same scientific principles; and
4. apparently used the often rejected "obvious to try" standard of patentability.

Moreover, upon the Federal Circuit's review of the district court's analysis of infringement, additional errors of law were identified, by way of example:

1. failure to construe the claims in view of the specifications;
2. reading a limitation from claim 1 of the '876 patent into independent claim 2;
3. reliance upon Uniroyal's improvement patent as negating infringement; and

4. declined to consider certain height and position limitations in the claims as literally satisfied, despite a finding that the Uniroyal air shield met these limitations, because Uniroyal's engineers used different formulae to arrive at those heights and positions than the '876 patent formulae.

These and other equally serious legal errors, not erroneous fact findings, compelled reversal or remand of the district court's decision. As such, the Federal Circuit's decision follows *Panduit* and the Supreme Court precedent cited therein. *See* 810 F.2d at 1569 ("our earlier opinion having noted that reversal was required by legal error and the district court's correct and controlling findings . . . , explicit reference to Rule 52(a) was not made.") (footnote omitted).

Notwithstanding the erroneous statement of law by the district court, the Federal Circuit, as in *Panduit*, 810 F.2d at 1565, examined and relied upon the district court's findings of fact to mandate the Federal Circuit's holdings. Contrary to Petitioners' contention, the Federal Circuit reviewed the relevant record which was before the district court, specifically considering a part of the available record namely, the Joint Appendix—a jointly compiled reproduction of the evidence pertinent to the issues appealed. Approximately 2,583 pages including approximately 121 trial exhibits and 1,243 pages of testimony from nine witnesses was presented in the Joint Appendix. Petitioners, prior to the Federal Circuit's judgment, never indicated that anything material was omitted from the Appendix or misstated or otherwise not previously identified as worthy of the particular attention of the court. Moreover, Petitioners have not identified any evidence of record not in the Joint Appendix which in any way is contrary to the Federal Circuit's decision. Petitioners should not now be heard to complain of an inadequate record included in the Joint Appendix which they participated in compiling. *See Mandel* v. *Max-France, Inc.*, 704 F.2d 1205, 1207 (11th Cir. 1983); *Bullen* v. *De Bretteville*, 239 F.2d 824, 836 (9th Cir. 1956), *cert. denied*, 343 U.S. 947 (1957).

Petitioners' claim that the Federal Circuit's review of the evidence is contrary to recognized appellate procedure is not supported by Petitioners' cases.

Icicle Seafoods, Inc. v. *Worthington*, 475 U.S. 709 (1986) involved a Court of Appeals decision in which "nowhere in its opinion did the court ever mention any of the factual findings of the District Court, much less discuss or analyze them." *Id.* at 713. Instead, the Court of Appeals conducted a *de novo* review of the record to determine the factual "question of how the respondents spent their working time on board the [ship they worked on]." *Id.* at 714. By contrast, the Federal Circuit herein carefully analyzed the district court's factual findings and made no contrary factual findings of its own.

Likewise, in *Anderson* v. *City of Bessemer City, North Carolina*, 470 U.S. 564 (1985) "the Fourth Circuit improperly conducted what amounted to a *de novo* weighing of the evidence in the record." *Id.* at 576. At issue were not errors of law and mixed questions of law and fact, but pure questions of fact, e.g., which of two people was more qualified for a particular position, on which the Court of Appeals improperly substituted its independent judgment for that of the trier of fact. By contrast, the Federal Circuit in the case at bar relied entirely upon the findings of the district court.

Indeed, the Federal Circuit did recognize its appellate limitations remanding for factual determinations and analysis the issue of infringement under the equitable doctrine of equivalents.

CONCLUSION

It is respectfully submitted that Petitioners writ of certiorari should be denied.

Respectfully submitted,

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